

DECLARATION
OF UNDIVIDED DEEDED INTEREST OWNERSHIP

This instrument is entitled “Declaration of Undivided Deeded Interest Ownership at Happy Valley Resort. Honest Sponsor, Ltd., a Vermont corporation (the “Declarant”) is the sole owner of the Property, as more fully described in Article III, subjected to this Declaration.

Recitals

A. The Declarant is the owner of lands and premises in Happy Valley, Vermont more particularly described in Article III, together with all easements, rights, appurtenances and improvements.

B. The Declarant intends by this instrument to create a planned community in such lands and premises pursuant to 27A V.S.A. This instrument also sets forth the covenants, conditions, easements, charges, assessments, affirmative obligations and liens to be applicable to the Property.

Submission and Dedication

The Property, as described in Section 3.01, together with all easements, rights and appurtenances thereto, is submitted to Undivided Deeded Interest Ownership, upon the terms, limitations, restrictions, covenants and conditions as set forth herein; all in furtherance of a common plan to enhance and perfect the value, desirability and enjoyment of the Property and the interests therein to be conveyed or reserved.

ARTICLE I
Definitions

Section 1.01. Definitions. (a) The following words and terms when used in this Declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

“Act” - the Vermont Common Interest Ownership Act, as amended from time to time.

“Apartment” - one of 17 separate living quarters in the building on the Property. The building and the Apartments, including the layout, location, Apartment number and dimensions of each Apartment, are depicted on the Plat attached as Exhibit A and the Plans attached as Exhibit B. The building is wood frame on a concrete foundation. The ground floor, or lowest floor, is slab on grade. The upper two floors are wood frame construction. The exterior of the building is covered with cedar siding; the roof is covered with vinyl clapboard shakes.

“Association” - the Happy Valley Owners Association, an unincorporated association, mandated by Section 3-101 of the Act, or its successor.

“Common Areas” - all of the Property except the Apartments.

“Common Furnishings” - the furniture and furnishings for the Property, including each Apartment, and other personal property from time to time owned or held for use in common by all Owners of the Property.

“Declarant” - Honest Sponsor, Ltd. or its successors and assigns.

“Deeded Week” - a period of time during which an Owner may have exclusive use, occupancy and possession of a portion of the Property; each of the Deeded Weeks is listed in Schedule A.

“Fixed Deeded Week” - a Deeded Week so designated in Schedule A, being those specified periods of time during which the exclusive use, occupancy and possession of an Apartment is allocated to an Owner in each year.

“Floating Deeded Week” - a Deeded Week so designated in Schedule A, being a period established for the exclusive use, occupancy and possession of an Apartment by the Owners according to the schedule set forth in Exhibit X, which shall be amended from time to time by the Managing Agent to fairly and equitably allocate to the Owners the red, blue and white periods designated from time to time by Resorts Condominium International, Inc.

“Land” - the lands depicted on the Plat.

“Maintenance Period” - the hours between 10:00 a.m. and 4:00 p.m. on the last day of each Deeded Week or such other period of time on such days as may be designated from time to time by the Managing Agent; and those parts of a year so designated in Schedule A.

The “Managing Agent” - the Owners’ Agent appointed as hereinafter provided.

“Owner” - the grantee or grantees named in the initial deed from the Declarant of an UDI Ownership; the successive Owners of each UDI Ownership so conveyed by the Declarant, and the Declarant with respect to any UDI Ownership not conveyed in the Property.

“Plans” - “Ground Level Plan,” dated March 17, 2000, (Sheet 2), “First Floor Plan,” dated March 17, 2000, (Sheet 2), and “Second Floor Plan,” dated March 17, 2000 (Sheet 4), entitled _____ prepared by Best Design Incorporated, recorded in Map Volume ___, Page ___, ___ and ___ of the Land Records of the Town of Happy Valley.

“Plat” - a subdivision plan entitled _____ dated January 31, 2000, prepared by Best Consulting Engineer, Inc., recorded in Map Volume ___, Page ___ of the Land Records of the Town of Happy Valley.

“Property” - the Property described in Article III.

“UDI Ownership” - the Undivided Deeded Interest Ownership described in this Declaration.

(b) Each capitalized term used in this Declaration without definition shall have the meanings given or used in the Act, except where the context otherwise requires.

ARTICLE II

Names; Designation; Location

Section 2.01. Names. (a) The name of the common interest community subject to this Declaration is Sycamores “B.”

(b) The name of the Association is the “Sycamores ‘B’ Owners’ Association.”

Section 2.02. Designation. The common interest community subject to this Declaration is a planned community as defined in the Act.

Section 2.03. Location. The common interest community subject to this Declaration is located in the Town of Happy Valley, County of Snow and State of Vermont.

ARTICLE III

Property

Section 3.01. Property. The real property which is and shall be held, transferred, sold, conveyed, given, donated, leased and occupied subject to this Declaration is:

Being a piece or parcel of land, with all buildings, structures and improvements thereon, and being a portion of the lands and premises conveyed to Honest Sponsor, Ltd., pursuant to a warranty deed, dated July 4, 1976, from Tired Predecessor, LP, recorded in Volume ____, Page ____ - of the Land Records of the Town of Happy Valley.

The lands and premises are shown and depicted on the Plat.

Reference is hereby made to the aforementioned instruments, the records thereof and the references therein in further aid of this description.

Section 3.02. Easements, Licenses, Reservations. (a) The following recorded easements are appurtenant to or included in the Property:

(i) ^

(b) There are no recorded licenses which are appurtenant to or included in the Property.

Section 3.03. Reservation of Mechanical and Storage Rooms. The Declarant reserves for itself, and its successors and assigns, the right to exclusive possession and occupancy of the following rooms in the ground floor level of the building on the Property, each as shown and depicted on the "Ground Floor Plan" which comprises a portion of the Plans: "Mechanical Room," "Storage Room" and "Housekeeping," together with rights of access thereto.

ARTICLE IV

Apartments; Apartment Boundaries; Limited Common Elements; Number of Apartments

Section 4.01. Number of Units; Identification. The number of Apartments in the common interest community is 47; no rights are reserved in this Declaration to create additional Apartments.

Section 4.02. Boundaries. The boundaries of the Apartments are their floors, walls and ceilings. Each Apartment is separately numbered, and the number of each Apartment appears on the Plans.

Section 4.03. Limited Common Properties. Except for Limited Common Elements specified in Section 2-102(2) and (4) of the Act and the Apartments themselves, no real estate within the Property is designated to be or to be allocated hereafter as Limited Common Elements.

ARTICLE V

Allocated Interests; Management; Governance

Section 5.01. Association; Membership. The Association shall consist of all of the Owners acting as a group. Every person or entity who is an Owner shall be a member of the Association. The affairs of the Property and each Apartment shall be under the control and direction of the Managing Agent, subject to the authority of the Association set forth in Section 5.08. The Managing Agent (or, in the absence of the Managing Agent, the Association) shall have exclusive possession of the Apartments during the Maintenance Periods.

Section 5.02. Allocated Interests. (a) The Common Expense Liability of each Owner has been calculated as follows: Annually the Managing Agent (or, in the absence of the Managing Agent, the Association) shall determine the sum which is necessary and appropriate to maintain and repair the Property, including the Apartments and their Common Furnishings, as well as appropriate sums to be held in reserve for replacement of the Property, including the Apartments and their Common Furnishings. The sums so determined shall be allocated to all of the Owners based on the number of bedrooms in and total area of the Apartments. Such sums shall include the costs and expenses described in this Declaration, in the payment of the Managing Agent's management fee. Any cost or expense may be estimated or adjusted to the Consumer Price Index instead of actual amounts.

(b) In the aggregate, there shall be a maximum of 2303 votes in the Association. Each Owner shall have a number of votes equal to the number of Fixed Deeded Weeks and Floating Deeded Weeks owned by the Owner.

Section 5.03. Additional Obligations of Owner. (a) In addition to an Owner's Common Expense Liability, each Owner shall pay the cost of long distance telephone charges or telephone message unit charges, if any, the cost of any special services allocable to the occupancy of the Apartment during the Owner's Fixed Deeded Week or Weeks and Floating Deeded Week or Weeks, the cost to repair any damage to the Property, including the Apartment, or to repair or replace any property contained therein on account of loss or damage to the Property, including the Apartment, or to repair or replace any property occurring during the Owner's Fixed Deeded Week or Weeks and Floating Deeded Week or Weeks, and the costs to satisfy any expense to any of the other Owners due to any intentional or negligent act or omission of such Owner, the Owner's family, guests, invitees, tenants or lessees or resulting from breach of any provisions of this Declaration.

(b) An Owner shall be liable for the expense (not reimbursed by insurance) of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness or by that of any member of the Owner's family or the Owner's guests, employees, agents, lessees or other invitees. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of the Property or its appurtenances.

(c) Each Owner shall comply with the provisions of the Declaration and the rules and regulations.

Section 5.04. Payment of Annual Maintenance Fees. All such payments shall be made through the Managing Agent unless the Managing Agent or the Association otherwise directs. The Managing Agent shall be under no obligation to, but may in its discretion, advance sums required to pay the obligations of any one or more of the Owners or to make payments or incur obligations within the Managing Agent's authority, notwithstanding the failure of any one or more of the Owners to provide funds therefor. The Managing Agent shall not be responsible for the acts or conduct of any of the Owners or for the breach of any of the obligations set forth in this Declaration of any of the Owners. The Managing Agent shall not be liable to any Owner in the absence of bad faith or negligence but shall hold the Owners harmless from and against any and all claims, expenses, liabilities, demands, causes of action, awards, or judgments rendered against the Managing Agent or the Owners arising out of or in connection with the gross negligent conduct of the Managing Agent, its officers, employees or agents.

Section 5.05. Collection of Maintenance Fees. The Managing Agent (or, in the absence of the Managing Agent, the Association), may, in its discretion, estimate the amounts to be paid by each Owner in advance and provide procedures for the payment thereof in equal periodic installments or otherwise, and may require additional or supplemental payments of amounts properly payable by the Owners in addition to any such estimated payments and may include in any such estimated or supplemental payments provision for payment of the Managing Agent's compensation. Each Owner shall pay to the Managing Agent (or, in the absence of the Managing Agent, the Association), within thirty (30) days after receipt of a statement therefor, the amount of any costs payable by the Owner hereunder including estimated costs and amounts required to establish and maintain reserves authorized hereunder.

Section 5.06. Powers and Duties of Managing Agent. The Managing Agent (or, in the absence of the Managing Agent, the Association) shall have all of the powers and duties granted to associations by the Act, as well as those necessary for the administration of the affairs of the Property and may do all such acts and things as are not prohibited by law, including the following (but the Managing Agent shall have no obligation to use or advance its own funds):

(a) Repair, maintain, repaint, remodel, furnish or refurnish the Property, including the Apartments, or any part thereof.

(b) Establish reserves for anticipated costs, including the acquisition and replacement of Common Furnishings; and acquire and pay for materials, supplies, furniture, furnishings, labor of services which the Managing Agent (or the Association) deems necessary or proper for the maintenance and operation of the Property, including the Apartments. The Managing Agent shall not, however, make any discretionary capital expenditure which exceeds available reserves by more than \$1,000 without prior approval of the Association.